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UNCLAS SECTION 01 OF 02 VILNIUS 000675

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TAGS: [PREL](#) [PGOV](#) [PINR](#) [LH](#)  
SUBJECT: LITHUANIA'S 14TH GOVERNMENT TAKES OFFICE AS  
PARLIAMENT APPROVES PROGRAM AND CABINET

REF: A. VILNIUS 620  
[1](#)B. VILNIUS 664

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SUMMARY  
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[1](#)1. (SBU) Lithuania's parliament approved Prime Minister-designate Gediminas Kirkilas's government program and cabinet July 18 by a vote of 59 to 49. Support came from the coalition of 53 MPs with additional support from three Labor members and three Homeland Union (conservative) members in the 141-seat parliament. This Mission had an excellent relationship with Kirkilas while he was Minister of Defense and knows most of the cabinet from their previous jobs (bios reported ref B). We expect a strong and positive working relationship with this Government. End summary.

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PARLIAMENT APPROVES GOVERNMENT PROGRAM AND CABINET  
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[1](#)2. (SBU) The Parliament approved the government program and cabinet of Prime Minister-designate Gediminas Kirkilas July 18 by a vote of 59 to 49 with 2 abstentions. Labor and the Social Liberals unexpectedly decided not to support the new government's program, in contrast to their support of Kirkilas as Prime Minister in his confirmation vote on July 4 (ref A). Three Labor members did support the plan and are likely to move to the Farmer's Party group, joining the coalition. The Social Liberals reportedly did not sign a cooperation agreement with the coalition, leading them to vote against the government program. Three Homeland Union MPs voted for the plan. Pursuant to their cooperation agreement with the coalition, the majority of the Homeland Union MPs did not participate in the vote, thus allowing the coalition to receive a majority of votes from those "present."

[1](#)3. (U) Voting results by party:

	For,	Against,	Abstain
Liberal and Center Union*-----	8,	0,	0
Social Democratic*-----	23,	0,	0
Farmers'*-----	9,	0,	0
Civil Democracy*-----	10,	0,	0
Homeland Union (conservative)>	3,	0,	1
Liberal Movement-----	0,	9,	0
New Union (Social Liberal)---	0,	8,	0
Liberal Democratic-----	0,	9,	0
Labor-----	3,	23,	1

\* - Denotes membership in the coalition.

[1](#)4. (U) Kirkilas and the cabinet took the oath of office shortly after the vote and have assumed their duties. The

breakdown of the cabinet is as follows, with bios reported in ref B.

Prime Minister: Gediminas Kirkilas, Social Democrat  
Foreign Affairs: Petras Vaitiekunas, Independent  
Defense: Juozas Olekas, Social Democrat  
Finance: Zygmantas Balcytis, Social Democrat  
Justice: Petras Baguska, Civil Democracy  
Interior: Raimondas Sukys, Liberal and Center Union  
Economy: Vytas Navickas, Farmers' Party  
Communications: Algirdas Butkevicius, Social Democrat  
Culture: Jonas Jucas, Liberal and Center Union  
Environment: Arunas Kundrotas, Social Democrat  
Health: Rimvydas Turcinskas, Civil Democracy  
Labor: Vilija Blinkeviciute, Social Democrat  
Agriculture: Kazimira Prunskiene, Farmers' Party  
Education: Roma Zakaitiene, Social Democrat

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NEW CABINET, OLD FACES  
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15. (SBU) The new cabinet is not much different from the previous one. Four Ministers (Balcytis, Blinkeviciute, Kundrotas, Prunskiene) from that government will serve in the same position under Kirkilas, and four other former Ministers (Butkevicius, Olekas, Zakaitiene, Navickas) will join the cabinet. The party composition of the new cabinet is also similar, but reflects the ruling coalition's loss of the populist Labor Party and incorporation of the center-right Liberal and Center Union and the Labor break-away Civil Democracy Party.

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PM'S STATED PRIORITIES FOR THE NEW GOVERNMENT  
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16. (SBU) Kirkilas has said that the main aim of the 14th Government is to "seek harmony in society and build a country for the well-being of all." Kirkilas's program notes several key issues: the social gap, distrust of the political system, availability of health care services, corruption, the worsening demographic situation, and limited progress in the development of science and technology. Major objectives of the 14th Government's program include:

- Raising the average salary to 1,800 litas (USD 653) by 2008;
- Reducing the personal income tax rate to 20 percent;
- Paying compensation for lost ruble deposits and individual land restitution from the sale of the Government's stake in the Mazeikiu Nafta oil refinery;
- Ensuring accession to the Euro zone and Schengen area;
- Committing to direct mayoral elections within four months;
- Supporting democratic reforms in Ukraine, Russia, Moldova, and the South Caucasus;
- Active participation in the EU and NATO; and
- Signing an agreement among all the parties on anti-corruption measures by the end of 2006.

17. (U) During the question-and-answer session in parliament, Foreign Affairs Minister-designate Petras Vaitiekunas assured MPs that he will continue the country's pro-Western foreign policy. He characterized Lithuania's policy as a balance between active participation in the EU and NATO. Vaitiekunas also said that Lithuania's commitment to its eastern neighbors who are building democracy is a "moral responsibility."

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VICE-MINISTER POSTS, PARLIAMENTARY CHAIRMANSHIPS  
STILL UP FOR GRABS

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18. (SBU) In a departure from the previous government, PM Kirkilas has decided that Vice-Minster posts should be filled by members of the same party as the respective Minister. Ceslovas Jursenas, a Social Democratic leader, said yesterday that Parliamentary chairmanships will be redistributed in the fall, reflecting the outcome of coalition agreements and cooperation agreements with the Conservative party. The opposition Conservative party is expected to chair the committees of Ethics, Anti-corruption, Intelligence, and Audit pursuant to their cooperation agreement with the coalition.

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COMMENT: GOVERNMENT FORMED BUT MINORITY STATUS MAY CHALLENGE EFFECTIVENESS  
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19. (SBU) Kirkilas's ability to garner support for and approval of his government's program in a very divided parliament bodes well for his tenure as PM. It also demonstrates his considerable political skill. The status of a 53-member coalition in a 141-member parliament may challenge its effectiveness, but the general commitment of the parties to Lithuania's long-term objectives such as Schengen and Euro zone membership should provide continuity. With broad multipartisan support for Lithuania's key foreign policy commitments in NATO, international operations in Iraq/Afghanistan, and neighborhood policies to the east, we expect this Mission's intense and productive collaboration with the host government to continue.

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